



# Nonprofit Human Services Cabinet

## Appropriations Committee Hearing on the Human Services Budget March 4, 2011

Children's League of  
Connecticut

Connecticut AIDS  
Resource Coalition

Connecticut Association  
for Community Action

Connecticut Association  
for Human Services

Connecticut Association  
of Area Agencies on  
Aging

Connecticut Association  
of Nonprofits

Connecticut Coalition  
Against Domestic  
Violence

Connecticut Coalition to  
End Homelessness

Connecticut Community  
Providers Association

Connecticut Consortium  
of Legal Services

Connecticut Council of  
Family Service Agencies

Connecticut Sexual  
Assault Crisis Services

Connecticut Women's  
Consortium

End Hunger  
Connecticut!

Mental Health  
Association of  
Connecticut

Oak Hill

Planned Parenthood of  
Southern New England

The Connection, Inc.

Wheeler Clinic

My name is John Merz and I am the Executive Director of the CT AIDS Resource Coalition (CARC) and a member of the Steering Committee of the CT Nonprofit Human Services Cabinet. The Cabinet is a statewide coalition comprised of 20 nonprofit human service associations and organizations representing approximately 800 providers. Its mission is to advance a strong and unified nonprofit human services system to effectively meet community needs. Focusing on overarching issues impacting the state's human services delivery system, the Cabinet has worked with state agencies on critical contracting issues and business practices that impact over 2,000 Purchase of Service Contracts valued at approximately \$1.4 billion annually. Members provide the safety net for Connecticut's most vulnerable residents. I would like you to consider four points.

First, while the Governor's proposed FY12 & FY13 biennial budget does not recommend any across-the-board funding cuts to nonprofit human services providers (for which we are grateful), neither does it provide a desperately needed cost-of-living adjustment (COLA) for private providers that contract with the state. Nonprofit human services providers have not received an increase since July 2007, with the 20 year average COLA being less than 1%. The economic recession has resulted in an increased demand for service, most notably from the middle class which continues to slip further down the socioeconomic scale. Increased service demand and inflation coupled with no COLAs and budget reductions have left the nonprofit human services provider system in a tenuous position of which we know you are aware. The safety net is badly frayed already and we fear that it may become irreparably torn if the state does not begin to mend it with a COLA.

Second, the Cabinet fully supports the Governor's proposal to provide funding for new supportive housing and RAP (Rental Assistance Program) certificates. Permanent supportive housing is the most successful model for eradicating homelessness among those experiencing long-term homelessness and those with disabilities, such as HIV/AIDS or mental illness. Targeted supportive housing has had a dramatic effect on the number of chronically homeless people cycling in and out of public institutions. Additionally, housing subsidies, such as RAP certificates, are the primary tool for preventing and ending episodic and family homelessness. With almost half of all families and 40% of single adults in shelters reporting during the *2010 Point in Time Count* that this was their first homeless experience, there is a clear need for this funding (additionally, up to 13% of those homeless individuals surveyed self-identify as having HIV/AIDS).

Third, the Cabinet does have concerns with many of the proposed healthcare cuts under the DSS budget. Restricting access to healthcare under Medicaid by imposing co-pays or increasing premiums on families least able to pay will severely harm those served by nonprofits. The research shows that when such requirements are put into place most will choose to forego taking their medication or seeking treatment during the early stage of an illness, instead becoming more ill and ending up at the emergency room, receiving more expensive care and costing taxpayers far more in the long run. Further, there will be a negative impact on nonprofit human services providers that serve Medicaid clients because very few will refuse to serve those who cannot afford the co-pay and will therefore lose that portion of their funding. This will only compound years of underfunding of the private provider system.

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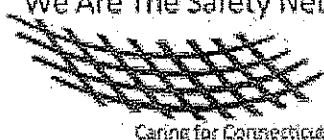
Fourth, the Cabinet firmly believes that our state's budget cannot be balanced solely with cuts and we support efforts to include revenues as a balanced approach to reducing our state's deficit. Further cuts to vital human services will only accelerate job loss and shred our state's safety net, leaving more Connecticut families without essential services. Connecticut state government remains lean and Connecticut spending ranks among the bottom 10 states for education, social services and housing. We urge a balanced approach to deficit reduction that includes sensible state revenues from those who can most afford it as well as maximizing federal revenue.

In closing, we urge the Committee to avoid any cuts to our state's most vulnerable residents. We thank the Committee for its efforts in recent years to avoid balancing the budget on the backs of the poor and we will remain supportive of these efforts in anyway possible. Nonprofit human services providers are critical partners with the state in the delivery of essential health and human services. The Cabinet urges the Committee to protect funding for our organizations so that we are able to continue partnering with the state to meet the needs of Connecticut's families.

Thank you for the opportunity to testify today.

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We Are The Safety Net



Caring for Connecticut